

Based on Article 14, paragraph 1, item 11, and with reference to Article 3 of the Law on the National Bank of Serbia ("RS Official Gazette", Nos 72/2003, 55/2004 and 44/2010), the Executive Board of the National Bank of Serbia hereby issues

D E C I S I O N
ON MEASURES FOR SAFEGUARDING AND STRENGTHENING
STABILITY OF THE FINANCIAL SYSTEM

1. This decision prescribes the measures for safeguarding and strengthening stability of the financial system, i.e. measures for easing the risks in the financial system arising from the high share of foreign currency-denominated or -indexed loans.

2. Banks may approve to natural persons loans that are indexed to a foreign currency, provided that the currency of indexation is the euro.

3. Banks may approve loans within the meaning hereof subject to a downpayment or placement of deposit of no less than 30% of the loan amount.

The provision of paragraph 1 hereof shall not apply to housing loans, non-foreign currency indexed loans in dinars, and credit cards.

4. Banks may approve mortgage loans provided that the amount of the loan does not exceed 80% of the value of the property mortgaged as determined by an authorised appraiser and reduced by the amount of other receivables secured by the first rank mortgage over the same property.

The provision of paragraph 1 hereof does not apply to loans from the same paragraph that are approved in dinars and are not indexed to foreign currency.

5. Under the terms hereof, natural persons do not include entrepreneurs – natural persons registered in accordance with the law on registration of business entities, nor farmers – heads of agricultural households within the meaning of the law on agriculture and rural development.

Under the terms hereof, authorised appraiser is a court appointed expert witness in the relevant field, a legal entity founded for the purpose of

providing expert witness testimony or a body in charge of tax proceedings in accordance with the law on tax proceedings and tax administration.

6. This decision shall be published in the "RS Official Gazette" and shall apply as of 30 June 2011.

NBS EB No 27
17 May 2011

B e l g r a d e

Chairman at the meeting of
the NBS Executive Board

G o v e r n o r
National Bank of Serbia

Dr Dejan Šoškić, sign.